

# Financial Literacy Foundation

## Module 1: Money Mindset & Awareness

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## Money Mindset & Awareness

Money Mindset & Awareness refers to the beliefs, attitudes, emotions, and thoughts you have about money—and how those internal patterns influence the financial decisions you make every day. This module forms the foundation of all financial behavior. Before budgeting, saving, managing credit, or building wealth, you must first understand how you think and feel about money.

### What Is Money Mindset?

Your money mindset is your internal “money blueprint.” It shapes the way you view earning, spending, saving, investing, and handling financial challenges. A healthy mindset leads to confident, thoughtful financial decisions.

**Examples:**

- Growing up hearing “money is tight” may create fear of budgeting.
- Learning money can be planned and saved builds confidence.

### What Is Money Awareness?

Money awareness is the understanding of your financial habits, emotional triggers, blind spots, and spending patterns. Awareness gives you clarity, control, and preparedness instead of avoidance or overwhelm.

**Example:** Shopping impulsively under stress is a trigger, not a budgeting issue.

### Why This Matters

Developing strong money mindset and awareness helps you make logical—not emotional—financial decisions, set aligned goals, break old habits, and create long-term financial success.

## Reflection Questions

1.	What beliefs about money did you learn growing up?
2.	How do you feel when you check your bank account or budget?
3.	What financial habits are you proud of? Which ones challenge you?
4.	What emotions lead you to spend impulsively?
5.	What financial goals do you want to achieve this year?

## Worksheet Exercises

### Exercise 1: Identify Your Money Story

Write a short summary of how money was discussed or handled in your home growing up.

### Exercise 2: Scarcity vs. Abundance

List three scarcity-based thoughts you've had, then rewrite each one into an abundance-based belief.

### Exercise 3: Trigger Awareness

Identify two emotional triggers that lead to unplanned spending. Describe how you can respond differently.

## Module Summary

This module helps you understand your financial beliefs, emotional patterns, and behavioral triggers. By increasing awareness and reframing your mindset, you lay the foundation needed for success in budgeting, credit, saving, debt management, investing, and tax education.

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# Financial Literacy Foundation

## Module 2: Understanding Income

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## Understanding Income

Understanding Income means knowing where your money comes from, how your pay is calculated, and how taxes and deductions affect your take-home pay. This module teaches you to read your paycheck, identify income types, calculate gross vs. net income, and track multiple income sources.

## Types of Income

**Earned Income:** Wages, salary, overtime, tips, bonuses

**Self-Employment Income:** 1099 contracting, freelancing, business profit

**Passive Income:** Rentals, royalties, dividends, online sales

**Government Benefits:** Social Security, unemployment, disability payments

## Gross Income vs. Net Income

**Gross Income:** The total amount you earn before taxes and deductions.

**Net Income:** Your take-home pay after taxes, insurance, and other deductions.

Understanding the difference helps you budget accurately and avoid overspending.

## Why It Matters

When you understand your income clearly, you can:

- Build accurate budgets
- Avoid surprise tax bills
- Understand job offers
- Track income from multiple sources
- Plan long-term financial goals effectively

## Module 2 Worksheet: Understanding Paychecks & Taxes

### Section 1: Identify Your Income

1.	List all sources of income you receive:
	Primary Job: _____
	Side Hustle / Business Income: _____
	Benefits (if any): _____
	Passive Income: _____
2.	Which income is predictable? Which varies month to month?

### Section 2: Understanding Your Paycheck

Gross Pay:	_____
Federal Income Tax:	_____
Social Security (6.2%):	_____
Medicare (1.45%):	_____
Other Deductions (insurance, retirement, etc.):	_____
Net Take Home Pay:	_____

### Section 3: Reflection Questions

1.	Were you surprised by how much taxes reduce your take-home pay? Why or why not?
2.	Do you currently budget using gross income or net income?
3.	What steps can you take to increase your net income?

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# Financial Literacy Foundation

## Module 3: Budgeting

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## Budgeting

A budget is a monthly spending plan that shows how much money you earn, spend, and save. Budgeting provides clarity, prevents overspending, and helps you build long-term financial stability.

## Why Budgeting Matters

- Helps track where money goes
- Prevents overspending
- Creates savings intentionally
- Supports debt repayment
- Builds financial confidence

## Types of Budgets

- 1. Traditional Budget:**  $\text{Income} - \text{Expenses} = \text{Remaining Balance}$
- 2. Zero-Based Budget:** Every dollar is assigned a job until the balance equals zero.
- 3. 50/30/20 Rule:**
  - 50% Needs
  - 30% Wants
  - 20% Savings & Debt
- 4. Envelope/Category Budget:** Pre-set spending categories with fixed amounts.

## How to Build a Budget (Step-by-Step)

1. List all income sources.
2. List all fixed monthly bills.
3. Record variable expenses (food, gas, etc.).
4. Subtract expenses from income.
5. Adjust categories until numbers reflect your goals.
6. Review your budget weekly.

## Module 3 Worksheet: Creating Your Monthly Budget

### Section 1: Income

Primary Job:	_____
Side Income:	_____
Benefits:	_____
Passive Income:	_____
Total Monthly Income:	_____

### Section 2: Fixed Expenses

Rent/Mortgage:	_____
Car Payment:	_____
Insurance:	_____
Phone/Internet:	_____
Subscriptions:	_____
Total Fixed Expenses:	_____

### Section 3: Variable Expenses

Groceries:	_____
Gas/Transportation:	_____
Eating Out:	_____
Personal Care:	_____
Miscellaneous:	_____
Total Variable Expenses:	_____

## Section 4: Budget Summary

Total Monthly Income:	_____
Total Monthly Expenses:	_____
Remaining Balance:	_____

## Section 5: Reflection Questions

1.	Does your current spending support your financial goals?
2.	Which category do you overspend in most often?
3.	What is one change you can make next month to improve your budget?
4.	Which budgeting method works best for you and why?

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# Financial Literacy Foundation

## Module 4: Understanding Credit

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# What Is Credit?

Credit is the ability to borrow money now and repay it later. It affects your ability to rent or buy a home, qualify for loans, secure good interest rates, and build financial trust. Credit history shows lenders how responsible you are with borrowed money.

## Why Credit Matters

- Lower interest rates
- Access to financial opportunities
- Easier loan approvals
- Saves money over time
- Impacts housing, insurance, and job opportunities

## The 5 Factors of a Credit Score

1. Payment History – 35%	On-time payments matter most. Late payments, collections, and delinquencies hurt
2. Amounts Owed – 30%	Credit utilization under 30% is ideal; under 10% is excellent.
3. Length of Credit History – 15%	Older accounts strengthen your score. Avoid closing your oldest card.
4. Credit Mix – 10%	Lenders like to see a mix of credit types—cards, loans, mortgages.
5. New Credit – 10%	Too many credit applications in a short period lowers your score.

## Types of Credit

**Revolving Credit:** Credit cards, store cards, lines of credit.

**Installment Credit:** Auto loans, personal loans, mortgages, student loans.

**Open Credit:** Utility bills, charge cards, contracts that must be paid in full monthly.

## How to Build Good Credit

- Pay all bills on time
- Keep utilization low (under 30%)
- Keep accounts open (especially older ones)
- Avoid unnecessary credit applications
- Check your credit report yearly at [AnnualCreditReport.com](https://AnnualCreditReport.com)

## Module 4 Worksheet: Credit Awareness & Planning

### Section 1: Credit Understanding Check

1.	What is your current credit score (if known)?
2.	Which of the 5 credit score factors do you struggle with most?
3.	What is your current credit utilization percentage?

### Section 2: Credit Inventory

Type of Credit	Lender	Balance	Limit/Payment	Status
_____	_____	_____	_____	Open/Closed
_____	_____	_____	_____	Open/Closed
_____	_____	_____	_____	Open/Closed

### Section 3: Credit Improvement Plan

1.	One habit I will improve immediately:
	_____
2.	One account I need to lower the balance on:
	_____
3.	One long-term credit goal I have:
	_____

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# Financial Literacy Foundation

## Module 5: Debt Management

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## What Is Debt?

Debt is money borrowed with the agreement to repay it, typically with interest. Debt can be helpful or harmful depending on how it is managed. Understanding debt helps reduce stress, improve credit, and build long-term financial stability.

## Why Debt Management Matters

- Reduce financial stress
- Improve credit score
- Lower monthly payments
- Save money on interest
- Pay off loans faster
- Prevent future debt issues

## Types of Debt

**Secured Debt:** Backed by collateral such as homes or vehicles.

**Unsecured Debt:** Includes credit cards, medical bills, and personal loans.

**Revolving Debt:** Credit cards and lines of credit with variable balances.

**Installment Debt:** Auto loans, student loans, mortgages with fixed payments.

## The True Cost of Debt: Interest

Interest is the price paid for borrowing money. Higher interest rates make repayment slower and more expensive. Credit card debt is often the most costly due to high rates.

## Debt Repayment Strategies

**Debt Snowball Method:** Pay off smallest balances first to build motivation.

**Debt Avalanche Method:** Pay off highest interest debts first to save money.

## Module 5 Worksheet: Debt Inventory & Reduction Plan

Type of Debt	Creditor	Balance	Interest Rate	Minimum Payment	Status
_____	_____	_____	_____	_____	Open/Closed
_____	_____	_____	_____	_____	Open/Closed
_____	_____	_____	_____	_____	Open/Closed

### Section 2: Choose a Repayment Method

☐ Snowball ☐ Avalanche ☐ Undecided

Why did you choose this method?

\_\_\_\_\_

### Section 3: Monthly Action Steps

1.	The first debt I will focus on is:
	_____
2.	Extra monthly amount I can pay:
	_____
3.	One habit I will change to reduce debt:
	_____

## Section 4: Reflection Questions

1.	How does debt impact your financial stress?
2.	What would becoming debt-free allow you to do?
3.	What is one long-term debt-free goal you have?

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# Financial Literacy Foundation

## Module 6: Saving & Emergency Funds

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## What Is Saving?

Saving is setting aside money to prepare for future needs and unexpected events. Savings help build long-term financial stability, reduce stress, and prevent reliance on debt.

## Why Saving Matters

- Avoid credit cards during emergencies
- Prepare for large expenses
- Reduce financial anxiety
- Build long-term wealth
- Gain confidence and financial peace

## Types of Savings

**Emergency Fund:** Used for urgent and unexpected expenses.

**Short-Term Savings:** For goals within 1–3 years.

**Long-Term Savings:** For goals 3+ years away.

## Emergency Fund Levels

**Level 1:** Starter fund: \$500–\$1,000

**Level 2:** 1–3 months of expenses

**Level 3:** 3–6 months of expenses

## Module 6 Worksheet: Building Your Savings Plan

### Section 1: Identify Your Savings Goals

1.	What are your current savings goals?
2.	Which category does each goal fit? (Emergency, Short-Term, Long-Term)
3.	Target Savings Amounts:
	Emergency Fund Goal: \$_____
	Short-Term Goal: \$_____
	Long-Term Goal: \$_____

**Section 2: Savings Habits & Behaviors**

1.	How much can you save each paycheck?
	_____
2.	What spending habits can you change to increase savings?
	_____
3.	Have you automated your savings? (Yes / No)

**Section 3: Emergency Fund Planner**

Expense Category	Monthly Cost	3-Month Total	6-Month Total
Housing	_____	_____	_____
Utilities	_____	_____	_____
Food	_____	_____	_____
Transportation	_____	_____	_____
Medical Needs	_____	_____	_____
Other Expenses	_____	_____	_____

## Section 4: Reflection Questions

1.	What motivates you to save?
2.	What challenges make saving difficult for you?
3.	How would having a fully funded emergency fund change your life?

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# Financial Literacy Foundation

## Module 7: Banking & Financial Tools

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## What Is Banking?

Banking helps you store, manage, and access your money safely. Banks and credit unions offer tools such as checking accounts, savings accounts, loans, and digital banking features to help you manage daily finances and long-term goals.

## Why Banking Matters

- Protect your money
- Separate spending from savings
- Track financial habits
- Access direct deposit and bill pay
- Lower-cost financial services compared to payday lenders
- Build financial credibility

## Types of Financial Institutions

**Banks:** For-profit institutions offering a wide range of services.

**Credit Unions:** Nonprofit, member-owned with lower fees.

**Online Banks:** Fully digital banks with low fees and high interest.

## Key Banking Tools

**Checking Account:** Used for daily spending and bill paying.

**Savings Account:** Stores money securely for goals and emergencies.

**High-Yield Savings Account (HYSA):** Offers higher interest for savings.

**Certificates of Deposit (CDs):** Locks money for higher interest earnings.

**Mobile Banking Tools:** Digital features like alerts, transfers, budgeting, and check deposits.

## Understanding Fees

Banks may charge fees for overdrafts, ATM use, low balances, and account maintenance. You can avoid many fees by using alerts, maintaining required balances, and choosing low-fee accounts.

## Protecting Your Money

**FDIC Insurance:** Protects bank deposits up to \$250,000.

**NCUA Insurance:** Protects credit union deposits up to \$250,000.

Use strong passwords, two-factor authentication, and secure networks when banking online.

## Module 7 Worksheet: Banking Tools & Habits

### Section 1: Your Banking Setup

1.	What bank or credit union do you currently use?
2.	Do you have: Checking / Savings / HYSA / None
3.	Do you use mobile banking apps? (Yes / No)

**Section 2: Fee Awareness**

1.	Have you been charged bank fees in the past 12 months?
2.	Which fees would you like to avoid?
3.	Steps to reduce or eliminate fees:

**Section 3: Banking Safety**

1.	Are your passwords updated and secure?
2.	Do you use two-factor authentication?
3.	Is your bank FDIC or NCUA insured?

## Section 4: Reflection Questions

1.	How does banking help you manage your financial goals?
2.	What banking tools would you like to start using?
3.	What improvements can you make to your current banking habits?

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# Financial Literacy Foundation

## Module 8: Taxes

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## What Are Taxes?

Taxes are mandatory payments individuals and businesses make to federal, state, and local governments. These funds support schools, roads, public safety, health programs, and more. Understanding taxes helps you budget, plan, and avoid surprises.

## Why Taxes Matter

- Avoid unexpected tax bills
- Estimate refunds or amounts owed
- Understand paycheck deductions
- File correctly and on time
- Qualify for credits and deductions
- Plan for future financial decisions

## Types of Taxes

**Federal Income Tax:** Paid to the IRS based on taxable income.

**State Income Tax:** Florida has NO state income tax.

**FICA Taxes:** Social Security (6.2%) and Medicare (1.45%).

**Self-Employment Tax:** 15.3% covering Social Security & Medicare.

**Sales Tax:** Added to goods and services.

**Property Tax:** Paid by homeowners.

## How Your Paycheck Works

**Gross Income:** Total earnings before deductions.

**Deductions:** Taxes, insurance, retirement, garnishments.

**Net Income:** Take-home pay after deductions.

## Common Tax Forms You Should Know

W-2	Shows wages and taxes withheld.
1099-NEC	For independent contractors or freelancers.
W-4	Tells employer how much tax to withhold.
1098-T	Used for education credits.
1098-E	Shows student loan interest paid.
1040	Main individual income tax return form.

## Tax Credits vs. Tax Deductions

**Tax Credits:** Reduce your tax bill dollar-for-dollar (EIC, Child Tax Credit, Education Credits).

**Tax Deductions:** Reduce your taxable income (student loan interest, mortgage interest, retirement contributions).

## Who Must File Taxes?

- Anyone earning income above IRS thresholds
- Self-employed individuals earning over \$400
- Anyone claiming credits or dependents
- Anyone receiving Marketplace healthcare credits

## Important Tax Deadlines

- January 31: W-2s and 1099s issued
- April 15: Tax filing deadline
- Quarterly: Estimated tax payments for self-employed

## Module 8 Worksheet: Understanding Your Taxes

1.	Are you an employee, self-employed, or both?
2.	Do you usually receive a refund or owe taxes?
3.	Which tax documents do you expect this year?

**Section 2: Paycheck Breakdown**

Gross Pay:	_____
Federal Withholding:	_____
Social Security (6.2%):	_____
Medicare (1.45%):	_____
Other Deductions:	_____
Net Take-Home Pay:	_____

**Section 3: Credits & Deductions**


1.	Which part of taxes confuses you most?
2.	What steps can you take to stay tax-ready this year?
3.	How does understanding taxes help you financially?

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# Financial Literacy Foundation

## Module 9: Insurance

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## What Is Insurance?

Insurance is a financial tool that protects you from major losses. You pay a premium, and the company covers unexpected events such as accidents, illness, or damage.

## Why Insurance Matters

- Protect your income
- Avoid major out-of-pocket expenses
- Prepare for emergencies
- Reduce financial stress
- Protect assets and family

## Types of Insurance

**Health Insurance:** Covers doctor visits, hospital stays, prescriptions.

**Auto Insurance:** Required in most states; covers accidents and liability.

**Renters/Homeowners Insurance:** Protects belongings and property.

**Life Insurance:** Provides income support to dependents.

**Disability Insurance:** Replaces income if you cannot work.

## Module 9 Worksheet: Insurance Planning

1.	What insurance do you currently have?
2.	What type of insurance do you least understand?

1.	List your top 3 financial risks:
	1. _____
	2. _____
	3. _____

1.	How would insurance protect your financial goals?
2.	What coverage do you need to add or update?

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# Financial Literacy Foundation

## Module 10: Investing

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## What Is Investing?

Investing is using money to buy assets that grow in value over time. Investing builds long-term wealth, retirement savings, and financial independence.

## Why Investing Matters

- Grow wealth
- Beat inflation
- Prepare for retirement
- Create passive income
- Reach major financial goals

## Types of Investments

**Stocks:** Ownership in a company.

**Bonds:** Loans to companies or government.

**Index & Mutual Funds:** Diversified bundles of investments.

**ETFs:** Similar to funds but traded like stocks.

**Retirement Accounts:** 401k, IRA, Roth IRA.

**Real Estate:** Property held for rental or value growth.

## Module 10 Worksheet: Investing Starter Plan

1.	What are your top 3 long-term financial goals?
2.	When would you like to retire?

1.	Your risk level: Low / Medium / High
2.	Why? _____

1.	Do you have: 401(k), Roth IRA, Traditional IRA, Brokerage Account?
2.	What steps can you take to begin investing?

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